

RICHARD G. LUGAR
UNITED STATES SENATOR
WASHINGTON, D.C.

October 12, 2005

The Honorable Mike Johanns
Secretary
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Secretary Johanns:

After reading the enclosed article in *The Washington Times* of October 11, 2005, I was encouraged that our United States Trade Representative, Rob Portman, had stated, "The United States is committed to breaking the deadlock in multilateral talks on agriculture and unleashing the full potential of the Doha Round." According to the article, Mr. Portman indicated that the United States must prepare to cut subsidies that most distort trade by 60% over five years and that the European Union and Japan would have to match that with a cut of 83%. In addition, Mr. Portman has made other suggestions with regard to curtailment of agriculture export subsidies credit programs and food aid programs which might displace commercial sales or distort the reduction of trade impediments.

These important trade negotiations proceed with the United States suffering from abnormal domestic budget deficits and extraordinary increasing external trade deficits with the rest of the world.

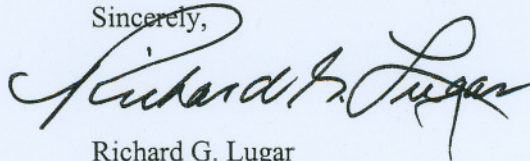
I appreciate that many senators for whom I have great respect believe that neither our trade negotiations nor our attempt to cut domestic budget deficits should impinge upon the Farm Bill of 2007 or any farm legislation that would follow.

My strong encouragement to you and agricultural policy makers in the administration is to continue your advocacy that the future of American farming lies in our competitive abilities to export our products much more vigorously and successfully as we reduce our costs through research and new production methods.

Such policies may result in substantially less direct payments to farmers and subsidies of many varieties. You will have my support as you attempt to fashion new policies for American agriculture that offer much more promise of growth in our markets and much more comprehensive utilization of the products we are now able to produce. In addition, you will have my strong support for much more vigorous agricultural research programs and conservation programs which have sometimes been slighted in favor of direct payments to producers for products which were already in oversupply or for which no foreign markets were created and serviced.

I wish you every continuing success.

Sincerely,



Richard G. Lugar
United States Senator

cc: Ambassador Portman

RGL/lm